

*Commonwealth of Virginia*  
*Waiver request Submitted to the United States Department of Labor,*  
*September 12, 2006*

**Purpose:**

To allow State Rapid Response Funds to be used for activities currently limited for use by WIA Statewide Activity Funds.

**Summary:**

In order to allow maximum flexibility for the State response to the current Ford-related situation in Norfolk, with impacts across the region and in other parts of the state, it has been determined that there are current barriers to this flexibility in the Federal-enabling legislation of the Workforce Investment Act (WIA). Specifically, certain fund designations in law are limited to certain types of activities. With this waiver, Virginia is requesting that activities normally only permitted with Statewide 15% funds also be permitted through use of the 25% Rapid Response funds. This will ensure that the multiple resource streams can be leveraged to ensure a comprehensive response to meet the needs of those impacted by the Ford closure. Pennsylvania has already been granted this type of waiver.

**Detailed Discussion:**

Under the authority granted at Section 189 of the Workforce Investment Act (WIA), the Commonwealth of Virginia hereby requests a waiver of 20 CFR 665.320(d)(2), for funds reserved for allowable state activities under WIA Sec. 133 (a)(2), to allow the transfer of up to 50 percent of the state set-aside Rapid Response funds to the Governor's Reserve funds. The funds would be used only for program purposes allowable under section 134 (a), not administration as indicated in Section 134(a)(3)(A)(i.) and (B). This transfer authority would be analogous at the state level to the authority of local areas to transfer funds among adult and dislocated worker funding streams.

This request is generated by the publicly announced plans of the Ford Motor Corporation to close its Norfolk truck assembly plant no later than September 2008, affecting some 2,400 Ford employees and a currently undetermined number of employees from supplier entities. The impacts of a dislocation event of this magnitude require the Commonwealth to have the utmost funding flexibility in meeting the needs of these Virginians in transition. This is also in line with the USDOL's reform principles and direction to promote cross-cutting of separate programs and silos to enhance the effectiveness of service delivery and better meet customer demands and needs. We request that this waiver be effective from the date of your approval through December 31, 2008 to ensure funding flexibility through the time that the Ford plan actually closes. Upon notification of approval, State policies and procedures will be developed for guiding the use of this funding transfer ability tool.

Please submit any comments on this waiver request to [brian.davis@governor.virginia.gov](mailto:brian.davis@governor.virginia.gov) by 10/19/06.

The specific goals and objectives of this waiver would among other things allow for the creation of a demonstration project where resources could be combined and common goals could be set, resulting in improved employment and training opportunities for the affected workers. Through such a demonstration, an agreement among various key players at the state and local level, both public and private, could outline for which services the involved parties would provide funding, avoid duplication of services and ensure that all responsibilities are addressed. For an example, One-Stops could provide intensive assessments and case management services while Ford sustains the cost of training. In addition, standardized assessment tools could be created and used throughout the affected region.

The State, through the Governor's Office for Workforce Development, will ensure regular review of funds and activities to monitor outcomes and impacts and make appropriate adjustments. This will be accomplished through use of existing fiscal reporting capabilities and use of the Virginia Workforce Network Information System, the Commonwealth's system of record for WIA programs. In addition, the Commonwealth will also gather information through discussion with key players in the demonstration project. The State will review applicable policies and procedures developed for this waiver, as well as other policies and procedures, and modify them as necessary. There are no state or local statutory or regulatory barriers to implementing the proposed waiver.